

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 2, 2004

Agenda ID #3608  
Ratesetting

TO: PARTIES OF RECORD IN APPLICATION 00-05-034

This is the draft decision of Administrative Law Judge (ALJ) Patrick. It will not appear on the Commission's agenda for at least 30 days after the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the draft decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the draft decision as provided in Article 19 of the Commission's "Rules of Practice and Procedure." These rules are accessible on the Commission's website at <http://www.cpuc.ca.gov>.

Pursuant to Rule 77.3 opening comments shall not exceed 15 pages. Finally, comments must be served separately on the ALJ and the assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail, or other expeditious method of service.

/s/ ANGELA K. MINKIN  
Angela K. Minkin, Chief  
Administrative Law Judge

ANG:hl2

Attachment

Decision **DRAFT DECISION OF ALJ PATRICK (Mailed 6/2/2004)****BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
to Market Value Humboldt Bay Power Plant  
Fossil Units and for Authority to Retain in the  
Distribution Utility Pursuant to Public Utilities  
Sections 367(b) and 377. (U 39 E)

Application 00-05-034  
(Filed May 15, 2000)

**OPINION DISMISSING APPLICATION TO MARKET VALUE  
HUMBOLDT BAY POWER PLANT****Summary**

On May 15, 2000, Pacific Gas and Electric Company (PG&E) filed an application to market value its Humboldt Bay Power Plant non-nuclear fossil units through an independent appraisal process.

The application is dismissed since there is no longer any need for PG&E to market value these assets. This proceeding is closed.

**Discussion**

At the time this application was filed, the utilities were required by Decision (D.) 00-03-019 to market value non-nuclear generation-related assets. Subsequently, the Legislature enacted Assembly Bill ABX1-6 (Ch. 2, Stats. 2001, special session 1)<sup>1</sup> eliminating market value as a factor influencing the

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<sup>1</sup> ABX1-6 filed with the Secretary of the State on January 18, 2001, effective immediately, amended Sections 216, 330 and 377 of the Public Utilities Code.

ratemaking treatment for utility retained generation (URG) in the context of the continuing regulation as required by Pub. Util. Code § 377. As amended by ABX1-6, Section 377 provides that the URG assets continue under traditional Commission regulation until the Commission has authorized some other disposition of the assets pursuant to Section 851 and, in any event, at least until January 1, 2006.

**Comments on Draft Decision**

The draft decision of the Administrative Law Judge (ALJ) in this matter was mailed to the parties in accordance with Pub. Util. Code §311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_.

**Assignment of Proceeding**

Loretta M. Lynch is the Assigned Commissioner and Bertram D. Patrick is the assigned ALJ in this proceeding.

**Finding of Fact**

There is no longer any need for PG&E to market value these assets because ABX1-6 eliminated the need for market valuation.

**Conclusion of Law**

The application should be dismissed without prejudice.

**O R D E R**

**IT IS ORDERED** that:

1. Pacific Gas and Electric Company's request for authority to market value the non-nuclear, fossil-fueled generation assets located at its Humboldt Bay Power Plant is dismissed without prejudice.

2. This proceeding is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.